An act to amend Sections 53395, 53395.1, 53395.2, 53395.3, 53395.4, 53395.5, 53395.6, 53395.7, 53395.10, 53395.11, 53395.12, 53395.13, 53395.14, 53395.16, 53395.17, 53395.19, 53395.20, 53396, 53397.1, and 53397.2 of, to repeal Sections 53395.22, 53395.23, 53395.24, 53395.25, 53397.4, 53397.5, 53397.6, and 53397.7 of, and to repeal and add Section 53395.21 of, the Government Code, relating to infrastructure financing districts.

LEGISLATIVE COUNSEL’S DIGEST

SB 33, as introduced, Wolk. Infrastructure financing districts: voter approval: repeal.

(1) Existing law authorizes a legislative body, as defined, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval. Existing law authorizes an infrastructure financing district to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing plan and agreement of affected taxing entities, as defined.

This bill would revise and recast the provisions governing infrastructure financing districts. The bill would eliminate the requirement of voter approval for creation of the district and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures. The bill would instead authorize a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan, subject to approval by the legislative body,
and issue bonds by majority vote of the authority by resolution. The bill would authorize a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only. The bill would authorize a district to finance specified actions and projects, and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer, as defined. The bill would create a public accountability committee, as specified, to review the actions of the public financing authority.

(2) Existing law requires that an infrastructure financing plan created by a legislative body include a date on which the district will cease to exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted.

This bill instead would specify that the date on which the district would cease to exist would not be more than 40 years from the date on which the public financing authority adopted the resolution adopting the infrastructure financing plan. The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.


The people of the State of California do enact as follows:

SECTION 1. Section 53395 of the Government Code is amended to read:

53395. (a) The Legislature finds and declares that the state and federal governments have withdrawn in whole or in part from their former role in financing major, regional, or community-wide infrastructure, including highways and interchanges, sewage treatment and water reclamation works, water supply and treatment works, flood control and drainage works, schools, libraries, parks, parking facilities, open space, and seismic retrofit and rehabilitation of public facilities.

(b) The Legislature further finds and declares that the methods available to local agencies to finance public works often place an undue and unfair burden on buyers of new homes, especially for public works that benefit the broader community.

(c) The Legislature further finds and declares that the absence of practical and equitable methods for financing both regional and local public works leads to a declining standard of public works,
a reduced quality of life and decreased safety for affected citizens,
increased objection to otherwise desirable development, and
excessive costs for homebuyers.

(d) The Legislature further finds and declares that because
California's disadvantaged communities, as defined in Section
75005 of the Public Resources Code, may not be beneficiaries of
quality public works, these communities are neglected and, thus,
isolated from and deprived of the basic facilities needed for public
health and safety.

(e) The Legislature further finds and declares that it is equitable
and in the public interest to provide alternative procedures for
financing public works and services needed to meet the needs of
new housing, disadvantaged communities, and other development
projects.

(f) The Legislature further finds and declares that it is in the
public interest to develop a mechanism that allows public agencies
to jointly dedicate their revenues to projects that support
sustainable communities.

(g) The Legislature further finds and declares that infrastructure
financing districts implement and fulfill the intent of Article 2
(commencing with Section 53395.10) and of Article XIII B of the
California Constitution, and are consistent with the conclusion of
California courts that tax increment revenues are not “proceeds
of taxes” for purposes of Article XIII B of the California
Constitution. The allocation and payment to a district of the portion
of taxes specified in this section for the purpose of paying principal
of, or interest on, loans, advances, or indebtedness incurred for
facilities or the cost of acquisition and construction of facilities
under this section shall not be deemed the receipt by a district of
proceeds of taxes levied by or on behalf of the district within the
meaning or for the purposes of Article XIII B of the California
Constitution, nor shall this portion of taxes be deemed receipt of
proceeds of taxes by, or an appropriation subject to limitation of,
any other public body within the meaning or for the purposes of
Article XIII B of the California Constitution or any statutory
provision enacted in the implementation of Article XIII B of the
California Constitution. The allocation and payment to a district
of this portion of taxes shall not be deemed the appropriation by
da district of proceeds of taxes levied by or on behalf of a district
within the meaning or for the purposes of Article XIII B of the
California Constitution.

SEC. 2. Section 53395.1 of the Government Code is amended
to read:
53395.1. Unless the context otherwise requires, the definitions
contained in this article shall govern the construction of this
chapter.
(a) “Affected taxing entity” means any governmental taxing
agency which levied or had levied on its behalf a property tax on
all or a portion of the property located in the proposed district in
the fiscal year prior to the designation of the district, but not
including any county office of education, school district, or
community college district.
(b) “City” means a city, a county, or a city and county.
(c) “Debt” means any binding obligation to repay a sum of
money, including obligations in the form of bonds, certificates of
participation, long-term leases, loans from government agencies,
or loans from banks, other financial institutions, private businesses,
or individuals.
(d) “Designated official” means the city engineer or other
appropriate official designated pursuant to Section 53395.13.
(e) (1) “District” means an infrastructure financing district.
(2) An infrastructure financing district is a “district” within the
meaning of Section 1 of Article XIII A of the California
Constitution.
(f) “Infrastructure financing district” means a legally constituted
public and corporate governmental entity separate and distinct
from the city that established it pursuant to this chapter for the sole
purpose of financing public facilities. An infrastructure financing
district shall be a “local agency” for purposes of Chapter 9
(commencing with Section 54950).
(g) “Landowner” or “owner of land” means any person shown
as the owner of land on the last equalized assessment roll or
otherwise known to be the owner of the land by the legislative
body. The legislative body has no obligation to obtain other
information as to the ownership of land, and its determination of
ownership shall be final and conclusive for the purposes of this
chapter. A public agency is not a landowner or owner of land for
purposes of this chapter, unless the public agency owns all of the
land to be included within the proposed district.
(h) “Legislative body” means the city council or board of supervisors.

(i) “Public capital facilities of communitywide significance” means facilities that benefit all areas within the district or serve or are made available to those areas.

(j) “Public financing authority” means the legislative body of the infrastructure financing district established pursuant to this chapter. The public financing authority shall be comprised of five people, three of whom shall be members of the city council or board of supervisors that established the district pursuant to this chapter and two of whom shall be public members. The three members of the city council or board of supervisors shall appoint the two public members in accordance with Chapter 11 (commencing with Section 54970) of Part 1 of Division 2 of Title 5.

SEC. 3. Section 53395.2 of the Government Code is amended to read:

53395.2. (a) The revenues available pursuant to Article 3 (commencing with Section 53396) may be used directly for work allowed pursuant to Section 53395.3, may be accumulated for a period not to exceed five years to provide a fund for that work, may be pledged to pay the principal of, and interest on, bonds issued pursuant to Article 4 (commencing with Section 53397), or may be pledged to pay the principal of, and interest on, bonds issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) or the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311)), the proceeds of which have been or will be used entirely for allowable purposes of the district. The revenues of the district may also be advanced for allowable purposes of the district to an integrated financing district established pursuant to Chapter 1.5 (commencing with Section 53175), in which case the district may be party to a reimbursement agreement established pursuant to that chapter. The revenues of the district may also be committed to paying for any completed public facility acquired pursuant to Section 53395.3 over a period of time, including the payment of a rate of interest not to exceed the bond buyer index rate on the day that the agreement to repay is entered into by the city district.
(b) The legislative body public financing authority may enter into an agreement with any affected taxing entity providing for the construction of, or assistance in, financing public facilities activities pursuant to Section 53395.3.

SEC. 4. Section 53395.3 of the Government Code is amended to read:

53395.3. (a) A district may finance (1) the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer which satisfies the requirements of subdivision (b), (2) may finance planning and design work which is directly related to the purchase, construction, expansion, or rehabilitation of that property and, (3) the costs described in Sections 53395.5, and 53396.5, and (4) may contribute to the cost of maintaining facilities that are financed pursuant to subdivision (b). A district may only finance the purchase of facilities for which construction has been completed, as determined by the legislative body. The facilities need not be physically located within the boundaries of the district. A district may except as specifically provided in this section, a district shall not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind. A district shall not compensate the members of the legislative body of the city or the district for any activities undertaken pursuant to this chapter.

(b) The district shall finance only structural or nonstructural public capital facilities of communitywide significance, which provide significant benefits to an area larger than the area of the district, including, but not limited to, all of the following:

(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(2) Sewage treatment and water reclamation plants and interceptor pipes.

(3) Facilities and watershed lands used for the collection and treatment of water for urban uses.

(4) Flood control levies and management including levees, bypasses, dams, retention basins, and drainage channels.

(5) Child care facilities.

(6) Libraries.
(7) Parks, recreational facilities, and open space, and habitat restoration.

(8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.

(c) The district shall be a local agency within the meaning of subdivision (d) of Section 33459 of the Health and Safety Code and may finance any actions necessary to implement the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code).

(d) The district may finance any project that implements a transit priority project pursuant to Section 65470, regional transportation plan, or other projects that are consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy, for which the State Air Resources Board, pursuant to Chapter 2.5 (commencing with Section 65080) of Division 2 of Title 7, has accepted a metropolitan planning organization’s determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.

(e) Any district which constructs dwelling units shall set aside not less than 20 percent of those units to increase and improve the community’s supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, to persons and families of low- and moderate-income, as defined in Section 50093 of the Health and Safety Code.

(f) Projects financed pursuant to this section that involve construction, alteration, demolition, installation, or repair work and dwelling units constructed by a district pursuant to this section, shall be subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

SEC. 5. Section 53395.4 of the Government Code is amended to read:

53395.4. (a) A district shall not provide any portion of a redevelopment project area which is or has been previously created pursuant to Part 1 (commencing with Section
33000) of Division 24 of the Health and Safety Code, whether the creation is or was proper or improper. A redevelopment project area may not include any portion of a district created pursuant to this chapter, form of financial assistance to a vehicle dealer or a big box retailer, or a business entity that sells or leases land to a vehicle dealer or big box retailer, that is relocating from the territorial jurisdiction of one local agency to the territorial jurisdiction of another local agency, but within the same market area, as those terms are used in Section 53084.

(b) A district may finance only the facilities or services authorized in this chapter to the extent that the facilities or services are in addition to those provided in the territory of the district before the district was created. The additional facilities or services may not supplant facilities or services already available within that territory when the district was created but may supplement those facilities and services as needed to serve new developments, rehabilitate, upgrade, or make more sustainable those facilities.

(c) A district may include areas which are not contiguous.

SEC. 6. Section 53395.5 of the Government Code is amended to read:

53395.5. It is the intent of the Legislature that the area of the districts created be substantially undeveloped, and the establishment of a district should not ordinarily lead to the removal of existing dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, the legislative body shall do all of the following:

(a) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons or families of low or moderate income, of an equal number of replacement dwelling units at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed were inhabited by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(b) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons of low or moderate income, a number of dwelling units which is at least one unit but not less than 20 percent of the total dwelling units removed at affordable housing cost, as defined in
Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(c) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.

(d) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there are suitable housing units, at comparable cost to the units from which the persons or families were displaced, available and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families and shall be decent, safe, sanitary, and otherwise standard dwellings.

SEC. 7. Section 53395.6 of the Government Code is amended to read:

53395.6. Any action or proceeding to attack, review, set aside, void, or annul the creation of a district or adoption of an infrastructure financing plan, including a division of taxes thereunder, or an election pursuant to this chapter shall be commenced within 30 days after the enactment of the ordinance creating the district, date the legislative body adopted the resolution adopting the infrastructure financing plan pursuant to Section 53395.23. Consistent with the time limitations of this section, such an action or proceeding with respect to a division of taxes under this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure, except that Section 869 of the Code of Civil Procedure shall not apply.

SEC. 8. Section 53395.7 of the Government Code is amended to read:

53395.7. An action to determine the validity of the issuance of bonds pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. However, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, the
action shall be commenced within 30 days after adoption of the resolution pursuant to Section 53397.6 providing for the date the legislative body adopted the resolution adopting the infrastructure financing plan authorizing the issuance of the bonds pursuant to Section 53397.1, if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.

SEC. 9. Section 53395.10 of the Government Code is amended to read:

53395.10. A legislative body of a city may designate one or more proposed infrastructure financing districts pursuant to this chapter. Proceedings for the establishment of a district shall be instituted by the adoption of a resolution of intention to establish the proposed district and shall do all of the following:

(a) State that an infrastructure financing district is proposed to be established under the terms of this chapter and describe the boundaries of the proposed district, which may be accomplished by reference to a map on file in the office of the clerk of the city.

(b) State the type of public facilities and development proposed to be financed or assisted by the district. The district may only finance public facilities authorized by in accordance with Section 53395.3.

(c) State the need for the district and the goals the district proposes to achieve.

(d) State that incremental property tax revenue from the city and some or all affected taxing entities within the district, if approved by resolution pursuant to Section 53395.19, may be used to finance these public facilities implement the plan adopted pursuant to Section 53395.14.

(e) Fix a time and place for a public hearing on the proposal.

SEC. 10. Section 53395.11 of the Government Code is amended to read:

53395.11. The legislative body shall direct the clerk to mail a copy of the resolution of intention to create the district to each owner of land within the district and to each affected taxing entity.

SEC. 11. Section 53395.12 of the Government Code is amended to read:
53395.12. (a) The legislative body shall direct the clerk to mail post a copy of the resolution to each affected taxing entity of intention to create the district in an easily identifiable and accessible location on the legislative body’s Internet Web site.

(b) At the conclusion of the public hearing scheduled pursuant to subdivision (e) of Section 53395.10, the legislative body of the city may adopt a resolution establishing the infrastructure financing district based upon a finding that (1) the goals of the district are consistent with the general plan; and (2) the financing programs undertaken by the district are an efficient means of implementing the goals of the district.

SEC. 12. Section 53395.13 of the Government Code is amended to read:

53395.13. After adopting the resolution pursuant to Section 53395.10 53395.12, the legislative body shall send a copy of the resolution to the public financing authority. Upon receipt of the resolution, the public financing authority shall designate and direct the city engineer or other appropriate official to prepare an infrastructure plan pursuant to Section 53395.14.

SEC. 13. Section 53395.14 of the Government Code is amended to read:

53395.14. After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section 53395.13 shall prepare a proposed infrastructure financing plan. The infrastructure financing plan shall be consistent with the general plan of the city within which the district is located and shall include all of the following:

(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

(b) A description of the public facilities required to serve, or assistance, that benefits or serves the development proposed in the area of the district including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the public improvements and facilities.
A. If funding from affected taxing entities is incorporated into the financing plan, a finding that the public facilities are of communitywide significance and provide significant benefits to an area larger than the area of the district.

B. A financing section, which shall contain all of the following information:

1. A specification of the maximum portion of the incremental tax revenue of the city and of each affected taxing entity, if any, proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time.

2. A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

3. A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt.

4. A limit on the total number of dollars of taxes which may be allocated to the district pursuant to the plan.

5. A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 30 years from the date on which the ordinance forming the district is adopted or the resolution adopting the infrastructure financing plan pursuant to Section 53395.20.

6. An analysis of the costs to the city of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city as a result of expected development in the area of the district.

7. An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity.

8. A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses and additional costs.
expenses related to the project or the developer of a project that implements a transit priority project.

(e) If any dwelling units occupied by persons or families of low or moderate income are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53395.5.

(f) The goals the district proposes to achieve by financing public facilities.

(g) The goals the district proposes to achieve by assisting the development described in paragraph (8) of subdivision (d).

(h) If funding from affected taxing entities is included in the plan, the creation of the public accountability committee, pursuant to Section 53395.21.

SEC. 14. Section 53395.16 of the Government Code is amended to read:

53395.16. The designated official shall consult with the city and each affected taxing entity, and, at the request of any affected taxing entity, shall meet with representatives of an affected taxing entity. Any affected taxing entity may suggest revisions to the plan.

SEC. 15. Section 53395.17 of the Government Code is amended to read:

53395.17. The legislative body public financing authority shall conduct a public hearing prior to adopting the proposed infrastructure financing plan. The public hearing shall be called no sooner than 60 days after the plan has been sent to each affected taxing entity. In addition to the notice given to landowners and affected taxing entities pursuant to Sections 53395.11 and 53395.12, notice of the public hearing shall be given by publication not less than once a week for four successive weeks in a newspaper of general circulation published in the city in which the proposed district is located. The notice shall state that the district will be used to finance public works, briefly describe the public works, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed district and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of
the prior proceedings, may appear before the legislative body public financing authority and object to the adoption of the proposed plan by the legislative body public financing authority.

SEC. 16. Section 53395.19 of the Government Code is amended to read:

53395.19. (a) The legislative body public financing authority shall not enact a resolution proposing formation of a district and providing approving a financing plan that provides for the division of taxes of any affected taxing entity pursuant to Article 3 (commencing with Section 53396), unless a resolution approving the plan has been adopted by the governing body of each affected taxing entity which is proposed to be subject to division of taxes pursuant to Article 3 (commencing with Section 53396) has been filed with the legislative body public financing authority at or prior to the time of the hearing.

(b) In the case of an affected taxing entity that is a special district that provides fire protection services and where the county board of supervisors is the governing authority or has appointed itself as the governing board of the district, the plan shall be adopted by a separate resolution approved by the district’s governing authority or governing board.

(c) Nothing in this section shall be construed to prevent the legislative body public financing authority from amending its infrastructure financing plan and adopting a resolution proposing formation of forming the infrastructure financing district without allocation of the tax revenues of any affected taxing entity which has not approved the infrastructure financing plan by resolution of the governing body of the affected taxing entity.

(d) A public financing authority may enter into a joint powers agreement pursuant to Section 6500 with an affected taxing entity to carry out the purposes of this chapter with regard to nontaxing authority or powers only.

(e) An infrastructure financing plan that provides for the division of taxes of any affected taxing entity shall not be implemented until the date on which the public accountability committee is created pursuant to Section 53395.21.

SEC. 17. Section 53395.20 of the Government Code is amended to read:
3395.20. (a) At the conclusion of the hearing, the legislative body required by Section 53395.17, the public financing authority may adopt a resolution proposing adoption of the infrastructure financing plan, as modified, and approving the formation of the infrastructure financing district in a manner consistent with Sections 53395.10 and 53395.19, or it may abandon the proceedings. If the legislative body adopts a resolution proposing formation of the district, it shall then submit the proposal to create the district to the qualified electors of the proposed district in the next general election or in a special election to be held, notwithstanding any other requirement, including any requirement that elections be held on specified dates, contained in the Elections Code, at least 90 days, but not more than 180 days, following the adoption of the resolution of formation. The legislative body shall provide the resolution of formation, a certified map of sufficient scale and clarity to show the boundaries of the district, and a sufficient description to allow the election official to determine the boundaries of the district to the official conducting the election within three business days after the adoption of the resolution of formation. The assessor’s parcel numbers for the land within the district shall be included if it is a landowner election or the district does not conform to an existing district’s boundaries and if requested by the official conducting the election. If the election is to be held less than 125 days following the adoption of the resolution of formation, the concurrence of the election official conducting the election shall be required. However, any time limit specified by this section or requirement pertaining to the conduct of the election may be waived with the unanimous consent of the qualified electors of the proposed district and the concurrence of the election official conducting the election. The public financing authority shall forward a copy of the plan to the legislative body to review and approve the financing section of the plan described in subdivision (d) of Section 53395.14. The infrastructure financing plan shall not take effect until approved by the legislative body.

(b) If at least 12 persons have been registered to vote within the territory of the proposed district for each of the 90 days preceding the close of the hearing, the vote shall be by the registered voters of the proposed district, who need not necessarily be the same persons, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each landowner
who is the owner of record at the close of the protest hearing, or
the authorized representative thereof, shall have one vote for each
acre or portion of an acre of land that he or she owns within the
proposed district. The number of votes to be voted by a particular
landowner shall be specified on the ballot provided to that
landowner.

(c) Ballots for the special election authorized by subdivision (a)
may be distributed to qualified electors by mail with return postage
prepaid or by personal service by the election official. The official
conducting the election may certify the proper mailing of ballots
by an affidavit, which shall be exclusive proof of mailing in the
absence of fraud. The voted ballots shall be returned to the election
officer conducting the election not later than the hour specified in
the resolution calling the election. However, if all the qualified
voters have voted, the election shall be closed.

(b) No later than June 30 of each year after the adoption of the
infrastructure financing plan, the public financing authority shall
direct the clerk of the legislative body to mail an annual report to
each owner of land within the district and each affected taxing
entity. The public financing authority shall direct the clerk of the
legislative body to post this annual report in an easily identifiable
and accessible location on the legislative body’s Internet Web site.
The annual report shall contain all of the following:

(1) A summary of the district’s expenditures.
(2) A description of the progress made towards the district’s
adopted goals.
(3) An assessment of the status regarding completion of the
district’s public works projects.

(c) If the district fails to provide the annual report required by
subdivision (b), the district shall not spend any funds to construct
public works projects until the annual report is submitted.

(d) If the district fails to produce evidence of progress made
towards achieving its adopted goals for five consecutive years, the
district shall not spend any funds to construct any new public
works projects; provided, however, the district may complete any
public works projects that it had started. Any excess property tax
increment revenues that had been allocated for new public works
projects shall be reallocated to the affected taxing entities.

SEC. 18. Section 53395.21 of the Government Code is
repealed.
53395.21. (a) Except as otherwise provided in this chapter, the provisions of law regulating elections of the local agency that calls an election pursuant to this chapter, insofar as they may be applicable, shall govern all elections conducted pursuant to this chapter. Except as provided in subdivision (b), there shall be prepared and included in the ballot material provided to each voter, an impartial analysis pursuant to Section 9160 or 9280 of the Elections Code, arguments and rebuttals, if any, pursuant to Sections 9162 to 9167, inclusive, and 9190 of the Elections Code or pursuant to Sections 9281 to 9287, inclusive, and 9295 of the Elections Code.

(b) If the vote is to be by the landowners of the proposed district, analysis and arguments may be waived with the unanimous consent of all the landowners and shall be so stated in the order for the election.

SEC. 19. Section 53395.21 is added to the Government Code, to read:

53395.21. (a) If an infrastructure financing plan contains a provision that provides for the division of taxes of any affected taxing entity, a public accountability committee shall be established pursuant to this section.

(b) A public accountability committee shall be comprised of a representative of each affected taxing entity that has agreed to the division of its taxes, a representative of the public financing authority, and one or more public members.

(c) The legislative body of each affected taxing entity and the legislative body of the public financing authority shall each appoint one of its members, or their designee, to the public accountability committee. Those persons appointed pursuant to this subdivision shall, by lot, appoint one or more public members to ensure that the public accountability committee consists of an odd number of members for voting purposes.

(d) All meetings with the public accountability committee shall be noticed in accordance with Section 54956.

(e) The purposes of the public accountability committee shall be to conduct or have conducted an annual performance review and an annual independent financial review of the public financing authority. The costs of the audits required pursuant to this subdivision shall be paid from revenues of the public financing authority.
SEC. 20. Section 53395.22 of the Government Code is repealed.

53395.22. (a) If the election is to be conducted by mail ballot, the election official conducting the election shall provide ballots and election materials pursuant to subdivision (d) of Section 53326 and Section 53327, together with all supplies and instructions necessary for the use and return of the ballot.

(b) The identification envelope for return of mail ballots used in landowner elections shall contain the following:

1. The name of the landowner.
2. The address of the landowner.
3. A declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope.
4. The printed name and signature of the voter.
5. The address of the voter.
6. The date of signing and place of execution of the declaration pursuant to paragraph (3).
7. A notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

SEC. 21. Section 53395.23 of the Government Code is repealed.

53395.23. After the canvass of returns of any election pursuant to Section 53395.20, the legislative body may, by ordinance, adopt the infrastructure financing plan and create the district with full force and effect of law, if two-thirds of the votes upon the question of creating the district are in favor of creating the district.

SEC. 22. Section 53395.24 of the Government Code is repealed.

53395.24. After the canvass of returns of any election conducted pursuant to Section 53395.20, the legislative body shall take no further action with respect to the proposed infrastructure financing district for one year from the date of the election if the question of creating the district fails to receive approval by two-thirds of the votes cast upon the question.

SEC. 23. Section 53395.25 of the Government Code is repealed.

53395.25. The legislative body may submit a proposition to establish or change the appropriations limit, as defined by
subdivision (h) of Section 8 of Article XIII B of the California Constitution, of a district to the qualified electors of a proposed or established district. The proposition establishing or changing the appropriations limit shall become effective if approved by the qualified electors voting on the proposition and shall be adjusted for changes in the cost of living and changes in populations, as defined by subdivisions (b) and (c) of Section 7901, except that the change in population may be estimated by the legislative body in the absence of an estimate by the Department of Finance, and in accordance with Section 1 of Article XIII B of the California Constitution. For purposes of adjusting for changes in population, the population of the district shall be deemed to be at least one person during each calendar year. Any election held pursuant to this section may be combined with any election held pursuant to Section 53395.20 in any convenient manner.

SEC. 24. Section 53396 of the Government Code is amended to read:

53396. Any infrastructure financing plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the infrastructure financing district each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance resolution adopted pursuant to Section 53395.20 to create the district, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance resolution adopted pursuant to Section 53395.20 to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city and each affected taxing entity which has agreed to participate pursuant to Section 53395.19 in excess of the amount specified in subdivision (a) shall be allocated to, and when collected shall be paid into a
special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district exceeds the total assessed value of the taxable property in the district as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the district shall be paid to the respective affected taxing entities. When the district ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

SEC. 25. Section 53397.1 of the Government Code is amended to read:

53397.1. The legislative body public financing authority may, by majority vote, initiate proceedings to issue authorize the issuance of bonds pursuant to this chapter by adopting a resolution stating its intent to issue the bonds.

SEC. 26. Section 53397.2 of the Government Code is amended to read:

53397.2. The resolution adopted pursuant to Section 53397.1 shall contain all of the following information:

(a) A description of the facilities to be financed with the proceeds of the proposed bond issue.

(b) The estimated cost of the facilities, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.

(c) The maximum interest rate and discount on the proposed bond issuance.

(d) The date of the election on the proposed bond issuance and the manner of holding the election.

(e) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.

(f) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (e) (d).

(g) The issuance of the bonds in one or more series.

(g) The date the bonds will bear.
(h) The denomination of the bonds.

(i) The form of the bonds.

(j) The manner and execution of the bonds.

(k) The medium of payment in which the bonds are payable.

(l) The place or manner of payment and any requirements for registration of the bonds.

(m) The terms or call of redemption, with or without premium.

SEC. 27. Section 53397.4 of the Government Code is repealed.

SEC. 28. Section 53397.5 of the Government Code is repealed.

SEC. 29. Section 53397.6 of the Government Code is repealed.

53397.6. (a) The bonds may be issued if two-thirds of the voters voting on the proposition vote in favor of issuing the bonds.

(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the legislative body shall proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:

(1) The issuance of the bonds in one or more series.

(2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53397.2.

(3) The date the bonds will bear.

(4) The date of maturity of the bonds.

(5) The denomination of the bonds.

(6) The form of the bonds.

(7) The manner of execution of the bonds.

(8) The medium of payment in which the bonds are payable.
(9) The place or manner of payment and any requirements for registration of the bonds.

(10) The terms of call or redemption, with or without premium.

SEC. 30. Section 53397.7 of the Government Code is repealed.

53397.7. If any proposition submitted to the voters pursuant to this chapter is defeated by the voters, the legislative body shall not submit, or cause to be submitted, a similar proposition to the voters for at least one year after the first election.